



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
9-06-16
04:59 PM

Application of Southern California Edison Company (U338E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017.

Application 14-11-007

And Related Matters:

Application 14-11-009

Application 14-11-010

Application 14-11-011

THE JOINT COMMENTS OF

PROTEUS INC. AND LA COOPERATIVA CAMPESINA DE CALIFORNIA COMMENTS ON THE PROPOSED DECISION AND THE ALTERNATIVE PROPOSED DECISION ON LARGE INVESTOR-OWNED UTILITIES' CALIFORNIA ALTERNATIVE RATES FOR ENERGY (CARE) AND ENERGY SAVINGS ASSISTANCE (ESA) PROGRAM APPLICATIONS

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September 6, 2016

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Introduction

Proteus Inc. and La Cooperativa Campesina de California support the Alternative Proposed Decision (APD) as proposed by Commissioner Catherine Sandoval. The APD is a forward thinking document that deserves the full Commission's serious consideration, deliberation and eventual support. The APD moves our energy low-income programs forward in real-time rejecting the status quo and enabling a vision that states that all of us working together can do better for our ratepayers and the people of California.

The APD recognizes climate change mandates, energy efficiencies, and fairness to the ratepayer all while maintaining the spirit of a low-income public purpose program that recognizes real hardship endured by low-income households residing in some of the most extreme temperature zones in the state. The APD takes what we have learned from Aliso Canyon and implements changes to cooling of low income homes; removes the three measure minimum rule and implements "energy efficiency go-back" changes that are long overdue. It reflects what is unique and best about California's advanced energy policy in that it strikes the proper balance between cost efficiencies and health, comfort and safety standards that are the hallmark of the Energy Savings Assistance Program (ESA).

We commend Commissioner Sandoval for her vision and commitment to the ESA Program community by authorizing funding through 2020 as stated at the All Party Meeting on this proceeding on August 31, 2016¹. That decision is both smart and the right thing to do. Many service providers have been harmed by the start/stop process created by a far too long bridge-funding course of action. The simple truth is that both the program and the people that it is intended to serve were *not* held harmless.

A nonprofit member (California Human Development Corporation) of the La Cooperativa Farmworker Services Provider network operating in some of the remote areas of the state had to close their doors to ESA services delivery due to a lack of sustainable revenue. Other service providers have gone out of business during the last year and a half and the CPUC must recognize this fallout as unacceptable. For the ESA program to function in an efficient, stable

¹ All Party Meeting in California Alternative Rates for Energy (CARE) and Energy Savings and Assistance Programs (ESAP) A.14-11-007 et al.

and consistent manner, contractors (both public and private) must function in a predictable economic environment. Much is required in terms of a certified and skilled workforce that represent a significant investment on the part of both ratepayers and the contractors and the start/stop scenario in hiring and layoffs creates a fatal gap where skilled workers or service providers maybe lost to the ESA program.

The extended cycle through 2020 will provide a stable environment for private contractors, CBOs and DBE organizations that are much of the service provider network. A 2020 funding cycle will enable service providers to maintain and develop a skilled workforce to deliver these vital services to our most vulnerable customer group in the state. Most of the workforce in the ESA program are directly from the disadvantaged communities that they serve. Climate change and energy efficiency legislation and policy have been quite clear on providing benefit to these disadvantaged communities. The APD's functional elements and the extension of the program cycle through 2020 better accomplish this mandate.

Additionally, changes in the APD, such as offering energy education to all income qualified customers, eliminating the go-back and three measure minimum rules, and adopting new measures will ensure the ESA Program offers significant energy savings in our state, while improving the quality of life for California's low-income population.

Specific ESA Measures Proteus Inc. and La Cooperativa Support; are:

ESA Program Plan for Treatment and Penetration for the Multifamily Sector

Proteus Inc. and La Cooperativa Campesina de California support the APD's addition of services and relaxed enrollment rules for Government/non-profit/or deed restricted low-income multifamily housing. We believe that the Assigned Commissioner's APD recognizes the growing earnings gap in California's population and further recognizes needed relief on energy costs to affordable housing in the state where rents are fixed. Additional housing that is available to low-income populations is typically older and less efficient; the Multifamily ESA initiatives contained in the APD addresses this reality and best shores the gap on a housing sector where energy efficiency needs and comprehensive opportunities are plentiful.

We further recommend a Final Decision ordering a mid-cycle working group to establish standardized guidelines to determine the best method to verify the low-income population in

non-deed restricted multifamily buildings and explore other energy efficiency opportunities in the broader multifamily housing sector protecting low-income residents from unintended rental increases from unscrupulous landlords. With that goal in mind, the mid-cycle working group should be tasked with developing language to include a Property Owner Agreement that states property owners must maintain, at a minimum the same numbers of low-income units, and that rents will not rise post ESA services delivery.

We further recommend the Decision clarify or assign to the mid-cycle working group the tasks to:

- 1) Identify which measures are available for installation in multifamily housing common areas;
- 2) Which measures are available for government/non-profit/or deed restricted vs non-deed dedicated multifamily buildings;
- 3) Standardize measure eligibility requirements amongst all IOUs. We recommend the mid-cycle group present the recommended processes and procedures to the LIOB within 90 days of the Final Decision. These low-income multifamily recommendations can then be taken up by the full LIOB for amendments, additions, and ultimately recommendation to the full Commission for their consideration.

Disadvantaged Communities in Highly Drought-Impacted Areas

The policies outlined in the APD authored by Commissioner Sandoval address the current drought situation with an appropriate focus on farmworker and rural communities, which are disproportionately impacted by the ongoing water crisis. The drought continues to heavily impact the Central Valley, and the state's water system is far from fully recovered. No community feels these negative impacts more than the farmworker communities that we [Proteus and La Cooperativa] both serve. We support the areas of the APD that address water conservation.

Both Proteus and La Cooperativa are nonprofit human services providers that serve thousands of farmworker households with drought relief assistance via state program efforts. As such, we know the conditions and needs of our Central Valley communities that are the hardest

hit by drought conditions. We believe that there is a necessary synergy of effort between water conservation assistance and energy related assistance that target these communities. To some degree that synergy exists today in reducing their water and energy consumption via drought and energy assistance programs via the ESA program and the Community Services Department's programs; i.e. both Proteus and La Cooperativa work with both IOUs and agency related programs.

We recommend that the mid-cycle working group explore and make recommendation to the full LIOB on leveraging and collaboration of these now separate programs.

The LIOB can then consider these recommendations for possible endorsement and presentation to the full Commission.

Cooling of Households in Disadvantaged Communities within Highly Drought-Impacted Areas

We support the expansion of air-conditioning units in climate zones that have temperatures that are extreme; we have been on the record requesting this specific cooling measure for years. We know that it directly speaks to the health, comfort and safety of these low-income populations residing in regions where poverty is exponential and heat extreme. This measure also provides clear workforce opportunities within those same disadvantaged communities. In disadvantaged communities, housing gets older and more populations are susceptible to these severe temperatures. Additionally, the Central Valley has multiple generations under the same roof due to poverty and the necessity to have multiple workers to meet the collective economic needs of the household and family. Many seniors and infants populate these households and remain at the home enduring severe heat. The APD recognizes this hardship and the significant impact of the health, safety and comfort of these poor populations with this cooling inclusion within the APD.

Commissioner Sandoval recognizes this reality in the APD's inclusion of adding air conditioning and eventually replacing evaporative coolers as an ESA Measure. This action is smart and the right thing to do. Lessons learned from Aliso Canyon have informed this thinking on both removing the three measure minimum rule; go-backs and air-conditioning that is recycled to even the load and lesson overall energy demand.

That being said, we also recognize that the cooling transformation must be managed in terms of cost to the ratepayer; reduced energy burden to the low-income household and a transitioning of the workforce (Workforce Education & Training) to necessary skills and qualifications to enable such a change. We view this transition as a significant benefit and opportunity to disadvantaged communities.

In order to ensure a sustainable air-conditioning measure, we recommend that the mid-cycle working group evaluate all the impacts of removing all evaporative coolers as a measure from the ESA Program, including potential bill and workforce impacts to contractor and the low-income communities that they serve. We recognize this measure change is a transition and we recommend that the mid-cycle working group assist and inform this transition.

Parallel to the mid-cycle's effort, the APD should order the utilities to work with manufacturers to enhance or develop a water-efficient evaporative cooler that utilizes high efficiency pads, an innovative venting system not requiring a window in the home be open and an internal water recycling system rather than a purge pump. The water-efficient model will reach market rate customers, resulting in greater water savings throughout the state.

Support for a Second Refrigerator in Qualifying Households

That awareness in the APD is precisely why we also support the replacement of the second refrigerator as proposed by Southern California Edison. To deny this measure is simply ignoring the hardship reality in these communities as to what they must do to survive no matter the cost; lack of efficiencies or impact to the climate.

Clarification for Water Heaters and Furnaces to Renters

SoCalGas proposes “In its efforts to identify new energy saving measures, and to be responsive to the needs of renters and high energy burden customers. SoCalGas introduces in this Application a set of new furnace-related measures including HE FAU furnace and minor furnace repair for renters².”

² Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2015-2017, Page #27

The APD does not address whether it approves SoCalGas' proposal to offer HE FAU furnace and minor home repair for renters. We support that measure as proposed by the utility. To avoid any delays in the rollout of new measures that help reduce energy consumption and improve the health, comfort, and safety of low-income households, we request the Commission clarify whether SoCalGas can offer HE FAU and Water Heater Replacement in renter occupied dwellings in the Final Decision.

Energy Savings Target

We support the APD's "think outside the box" approach that encourages integrating and leveraging other resources to help the low-income community extend their savings opportunities. These opportunities for additional savings, such as customer enrolling in a demand response program or a dynamic tariff should be *encouraged* through the Energy Education process rather than requiring participation for all customers who receive ESA Program measures.

Such a mandatory requirement may result in additional barriers that could increase the "unwilling to participate" population and could result in additional visits to the home. For example, when the household decision maker is not present during the enrollment process. Should this requirement be limited only to the utilities AC Cycling program, the Final Decision should order the IOUs to have the ESA Program HVAC contractor to install the AC Cycling device at the time of the HVAC installation to reduce additional visits to the customer's home.

To reduce the aforementioned program challenges, we recommend to modify the language in the APD to *encourage* participation in a demand response program or a dynamic tariff during the Energy Education process rather than requiring participation for all customers who receive ESA Program measures.

Whole House Approach

Both Proteus Inc. and La Cooperativa have been on the record supporting a "Whole House Approach" to energy efficiencies that leverages both state and federal program services. The success of the PG&E leveraging pilot has not been lost to either the LIOB nor we that operate both state and IOU programs. Further IOU/CSD demonstration pilots should be ordered

by the Commission that build on the CSD/PG&E pilot that in our view was quite successful in leveraging both programs.

Cost Effectiveness Working Group

In our minds, the “All Party Meeting” corrected the record as to facts and conclusions that have yet to have been reached by this effort. We understand the need to balance cost-effectiveness of energy efficiency programs with the health, comfort, and safety of disadvantaged communities; these equities are the cornerstones of the ESA program. That balance is not an easy task. That being said, we recommend the continuation of this working group, with the caveat that the makeup of the group have representation from the LIOB. This better ensures the transparency and public participation as to their proceedings and conclusions.

CARE Enrollment

Many utilities already have some or all of their CARE applications include an option to check a box indicating enrollment in the CalWORKS, CalFresh, MediCal, free or reduced price school meal and other government assistance programs. If an applicant is already enrolled in one or more of these listed programs, they automatically qualify for CARE. As part of an effort to enhance the outreach for CARE, ESA and other low-income rate payer programs, the LIOB has discussed at two meetings exploring the possibility of IOUs conducting additional outreach *through these local government agencies* that means test their respective clients or enrollees as eligible for CARE. There is pilot program commencing in the Bay Area involving several agencies this fiscal year.

Long-term, it our hope this will become part of their normal operations. If enacted, this outreach method would provide up to *18.3 million instances of potential enrollment for CARE and other low-income rate payer programs*. It is important to note that this additional outreach mechanism is not meant to replace or refine any ongoing outreach efforts.

Investor Own Utility Databases

We urge the Commission to direct the IOUs to work together to align system processes to provide transparency for service providers when enrolling customers for more than one Investor Owned Utility (IOU). It is a challenge for service providers to enroll customers utilizing different

set of forms (paper or electronic) and have to process that work in different systems with different workflow systems. We recommend the Final Decision order these single energy IOUs align their systems in a manner that would make it for cost effective and efficient for them, the customer, and service providers.

A 12-Year Rolling Cycle for Refrigerator Replacement

While the APD would adopt 8-10 years or more prior to the date of ESA treatment, we proposed that a 12 year rolling cycle should be adopted (by order of the Final Decision) for refrigerator replacement. This propose cycle is more in alignment with the Effective Useful Life (EUL) of a refrigerator, which is 14 years, and will ensure that only those replacements which at the end of their useful life are replaced with more energy efficient ones.

In conclusion, thank you for the opportunity to provide input and serve our respective communities.

Dated: September 6, 2016

Respectfully submitted,

By: _____/s/_____

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